



BOULT ■ CUMMINGS
CONNERS ■ BERRY PLC

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T.R.A. DOCKET ROOM

July 2, 2003

VIA HAND DELIVERY

Honorable Deborah Tate, Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243

Re: *Petition of RBS Gas Utility, Inc. for Approval of Special Contract*
Docket No. 03- 00427

Dear Chairman Tate:

Attached for filing is a petition by RBS Gas Utility, Inc. ("RBS") for approval of a special contract, pursuant to TRA Rule 1220-4-1-.07, between RBS and a large industrial customer. A copy of the contract is attached.

RBS asks that this matter, which the company believes is unopposed, be placed on the TRA's next agenda.

Sincerely,

BOULT, CUMMINGS, CONNERS & BERRY, PLC

By: 
Henry Walker

HW/aai
Attachments

cc: Edward R. Ayers (w/attachments)
Vance Broemel (w/attachments)

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

**IN RE: PETITION OF RBS GAS UTILITY, INC. FOR APPROVAL OF SPECIAL
 CONTRACT**

Docket No. 03-_____

**PETITION OF RBS GAS UTILITY, INC.
FOR APPROVAL OF SPECIAL CONTRACT**

RBS Gas Utility, Inc. ("RBS") petitions the Tennessee Regulatory Authority ("TRA") for approval, pursuant to TRA Rule 1220-4-1-.07,¹ of a contract to supply natural gas to Nestle Waters North America ("Nestle") for the Nestle facility in Red Boiling Springs, Macon County, Tennessee ("Contract"). A copy of the Contract is attached.

The Contract requires RBS, at its own expense, to install metering equipment on the Nestle premises and this equipment shall remain the property of RBS. See Section 2.4 of Contract.

RBS has an existing and approved tariff for gas sales and/or transport that ensures competitive pricing based on alternative fuels available to industrial customers. In the event Nestle elects to purchase its own gas and thereby only requires transport and metering services by RBS, then the cost to Nestle is addressed by the Transport Rate Schedule "A" of this Contract. Natural gas purchased by Nestle from RBS shall be subject to the Gas Sales Rate

¹ The TRA rule states, "Special contracts between public utilities and certain customers prescribing rates, services, and practices not covered or permitted in the general tariffs . . . are subject to supervision, regulation, and control by the Authority. A copy of such special agreements shall be filed, subject to review and approval."

Schedule "B" of this Contract, which provides for a fluctuating gas rate based on market conditions.

Each month, Nestle will nominate a quantity of gas for sale and delivery by RBS. Should Nestle fail to purchase the full quantity of gas scheduled for delivery on any given day, Nestle must pay RBS liquidated damages as described in Section 3.5 of the Contract of \$0.25 per Mcf of untaken gas plus the reservation charge components of the gas sales service from upstream pipelines.

RBS asks that the TRA approve this special contract pursuant to TRA Rule 1220-4-1-.07.

Respectfully submitted,



Henry Walker
Boult, Cummings, Conners & Berry, PLC
414 Union Street, Suite 1600
P. O. Box 198062
Nashville, Tennessee 37219

Counsel for RBS Gas Utility, Inc.

GAS SERVICE AGREEMENT

THIS GAS SERVICES AGREEMENT ("Agreement"), entered into this 23rd day of June, 2003 by and between RBS Gas Utility, Inc., a Tennessee corporation, ("RBS") ("Seller"), and NESTLE WATERS NORTH AMERICA ("Nestle") ("Buyer").

WITNESSETH:

THAT WHEREAS, Buyer requires a reliable supply of natural gas; and

WHEREAS, RBS is a gas distribution utility whose Tennessee division is subject to the regulatory jurisdiction of the Tennessee Regulatory Authority ("TRA"), and is willing to provide natural gas services in Red Boiling Springs, Macon County, Tennessee; and

WHEREAS, RBS is willing to provide a reliable supply of natural gas service to Buyer, on the terms and conditions hereinafter set forth; and

WHEREAS, Buyer desires to have RBS provide its natural gas requirements on the terms and conditions hereinafter set forth;

THEREFORE, for and in consideration of the mutual promises and agreements hereinafter set forth, the receipt and sufficiency of which is acknowledged by each of RBS and Buyer, and intending to be legally bound, RBS and Buyer agree as follows:

ARTICLE I DEFINITIONS

Section 1.1 Defined Terms. For purposes of this Agreement, except where another meaning is expressly stated, the following capitalized words and phrases shall have the following meanings:

"Btu" means one (1) British thermal unit, the quantity of heat required to raise the temperature of one (1) pound avoirdupois of pure water from fifty-eight and five-eighths degrees Fahrenheit (58.5F) to fifty-nine and five-tenths degrees Fahrenheit (59.5 F) at a constant pressure of fourteen and seventy-three hundredths pounds per square inch absolute (14.73 psi) as defined in the RBS Tariff.

"Business Day" means a day that is not a legal or bank holiday in the state of Tennessee.

"Buyer" means Nestle Waters North America.

"Contract Price" means the price payable by Buyer to RBS for Sales and/or Transport/Metering Service under this Agreement.

"Contract Year" shall mean a twelve Month period beginning on the commencement date of the Primary Sales Term, as provided in Section 4.2, or on each anniversary of such date during the Term; provided that the last Contract Year shall end on the eleventh anniversary of the In-Service Date.

"Day" means a gas day as such term is used in the RBS Tariff, i.e. a twenty-four (24) hour period commencing at 8:00 A.M. in the Central Time Zone on any day and ending at 8:00 A.M. in the Central Time Zone of the following day.

"Facility" is described as the meter/regulator/measurement station located at the tie-in point of the Nestle installed service line to the RBS meter/regulator/measurement site located on Nestle Property immediately adjacent to the North/West side of Highway No. 52 or other public road in Red Boiling Springs, Macon County, Tennessee at which location RBS presently has an existing 4" gas distribution line.

"Gas" means natural gas that meets the quality specifications and pressure requirements of the RBS Tariff or is accepted by RBS into its pipeline system for transportation without penalty.

"In-Service Date" means the later of August 1, 2003, or the date on which the RBS meter/regulator/measurement station is ready to deliver Gas to Buyer at the facility site.

"Interest Rate" means the rate first published as the "Prime Rate" under "Money Rates" in the Wall Street Journal during each Month for which interest is being calculated plus one percent (1%), but in no event greater than the maximum rate allowed by applicable law.

"Mcf" means one thousand cubic feet of Gas.

"MDQ" means the maximum daily quantity of Gas which RBS agrees to sell and/or deliver to Buyer at its premises in Red Boiling Springs, Macon County, Tennessee.

"MMBtu" means one (1) million British thermal units.

"MMQ" means maximum monthly quantity, which is the MDQ multiplied by the number of days in a particular billing month.

"Macon County" has the meaning set forth above.

"Month" means the period beginning at 8:00 A.M. in the Central Time Zone on the first day of a calendar month and ending at 8:00 A.M. in the Central Time Zone on the first day of the following calendar month.

"Monthly Schedule" means a schedule of Buyer's anticipated Gas requirements for each Day of the Month provided to RBS pursuant to Section 3.3 hereof.

"Nomination" means Buyer's notice to RBS (including without limitation a Monthly Schedule) of the daily quantity of Gas that Buyer requests that RBS sell and deliver to Buyer at the facility in Red Boiling Springs, Macon County, Tennessee during the Primary Sales Term or any Secondary Sales Term on any Day or for any other period of time specified in such Nomination, and to "Nominate" means the giving of such notice to RBS by Buyer.

"Party" means RBS or Buyer, according to the context, and "parties" means both RBS and Buyer.

"Primary Sales Term" has the meaning set out in Section 4.2.

"RBS" has its meaning set out above.

"RBS Tariff" means RBS's tariff approved by the TRA and in effect from time to time during the term of this Agreement.

"Sales Service" means the sale and delivery by RBS at the facility of the Gas required by Buyer for its facility in accordance with this Agreement.

"Sales Term" means that portion of the term of this Agreement during which RBS is obligated to sell and deliver Gas to Buyer at the facility, and during which Buyer is obligated to purchase and receive from RBS its requirements for Gas at the facility.

"Secondary Sales Term" has the meaning set out in Section 4.2.

"Schedule" means the notification from RBS to upstream pipelines and gas suppliers of the quantity of Gas to be transported for the account of RBS or Buyer, as the case may be.

"Term" means the period of time during which this Agreement shall be in effect as provided for in Section 4.1.

"TRA" has the meaning set forth above and includes any agency or body of the State of Tennessee that is the successor to the TRA.

Section 1.2 Usage. The words "hereof", "hereunder" and words of similar import when used in this Agreement refer to this Agreement as a whole and not to any particular provision hereof, and the words, "Article", "Section", "Exhibit" and similar references followed by a number and/or letter designation refer to such portions of this Agreement unless otherwise specified. Each Exhibit attached hereto is made a part hereof for all purposes. Unless otherwise defined or required by the context in which used, words or phrases defined in Section 1.1 shall have such defined meanings when used in each notice or other communication delivered or given from time to time in connection with this Agreement.

ARTICLE II CONDITIONS TO RBS's OBLIGATIONS

Section 2.1 Conditions. The obligations of RBS to Buyer under this Agreement are expressly subject to and contingent upon the approval of this Agreement by a final and non-appealable order of TRA.

Section 2.2 Satisfaction of Conditions. RBS shall proceed with commercially reasonable diligence to satisfy the condition set out in Section 2.1, and shall keep Buyer informed as to

RBS's progress with respect to satisfying such condition. Buyer agrees, at Buyer's sole cost and expense, to cooperate fully with RBS in its efforts to satisfy such condition.

Section 2.3 Non-Satisfaction of Conditions. In the event the condition set out in Section 2.1 is not satisfied within 120 days after a filing of this Agreement with the TRA, either party may by written notice to the other within ten (10) days thereafter, cancel this Agreement. Failure to provide such notice of cancellation shall be deemed a waiver of any of such condition that remains unsatisfied on August 1, 2003.

Section 2.4 Metering/Regulator/Measurement Equipment. RBS will sell and transport to the Buyer, and the Buyer will receive and purchase from RBS, gas in volumes as required by the Buyer for its use upon its premises located at Red Boiling Springs, Macon County, Tennessee, through a metering/regulator/measurement site which shall be installed by RBS and located upon Buyer's premises. RBS will install said metering/regulator/measurement equipment at the facility at its expense, which said meter/regulator/measurement equipment shall remain the property of RBS and may be removed upon the termination, cancellation or expiration of this contract. . Buyer agrees to accept any and all responsibilities associated with the use and operation of said metering/measurement/regulator station upon the stubbing out of location by RBS at the facility site. RBS, its employees and agents shall have free and unrestricted access to facility for the purpose of reading meter, servicing meter, exchanging or repairing meter, and other valid business reasons associated with said facility.

ARTICLE III SALE AND PURCHASE OF GAS

Section 3.1 Maximum Quantity. The Mcf for the first Three (3) years of the Primary Sales Term shall be 25 Mcf/hour, unless otherwise mutually agreed by RBS and Buyer. Delivery pressure to the input side of the metering/measurement/regulator station will be approximately 45 psi with delivery pressure to Buyer at 5 psi.

Section 3.2 RBS's Obligation to Sell and Deliver Gas. On each Day during the Primary Sales Term and any Secondary Sales Term of this Agreement, RBS shall sell and deliver to Buyer at the output side of the metering/measurement/regulator station the quantity of Gas Nominated by Buyer for delivery stated in Section 3.1 hereof, provided, however, that RBS shall not be obligated to make available to Buyer on any Day a quantity of Gas greater than the MDQ for such Day. RBS shall perform its obligation to sell and deliver Gas to Buyer pursuant to the following:

1. RBS will sell and transport to the Buyer, and the Buyer will receive and purchase from RBS, gas in volumes as required by the Buyer for its use upon its premises located at Red Boiling Springs, Macon County, Tennessee, through a predetermined and agreed upon metering/measurement/regulator station site facility installed by RBS and located upon Buyer's premises as recited in Section 2.4 hereof. Cost to Buyer will be determined pursuant to applicable Schedules "A" and "B".

2. In the event Buyer elects to purchase its own gas and thereby only requires transport and metering services by RBS, then the cost to Buyer for gas purchased by and transported to

Buyer for the contract period shall be as described in Exhibit "A". All gas used by Buyer during any billing period in excess of the volume received by RBS for transportation and delivery to Buyer, plus the 7% shrinkage authorized herein shall be considered in all respects as having been purchased by Buyer from RBS under Schedule "B" hereto. There shall be subtracted from such excess volumes taken by Buyer any volumes previously received by RBS for transportation to Buyer but not delivered to Buyer under this Agreement

3. The term of this agreement shall be for a Primary Sales Term ending Three (3) years after the commencement of the initial billing period as determined by RBS hereunder. The gas is to be furnished through new service facilities, for which the parties shall make reasonable efforts to effect delivery and receipt of gas, to serve a connected load of 25 Mcf/hour not later than the 15th day of August, 2003.

4. The attachments hereto are made a part hereof by reference and are designated as follows:

1. Transport Rate Schedule "A";
2. Gas Sales Rate Schedule "B"

5. RBS represents that it has an existing and approved tariff for gas sales and/or transport that ensures competitive pricing based on alternative fuels available to industrial Buyers. The pricing proposed in Schedules "A" and "B" anticipates the availability of alternative fuels and/or alternative providers for use by Buyer. The tariff provisions require the Buyer to inform RBS in writing of the availability of alternative fuels and their comparative cost for the period covered by this contract. This contract is predicated upon the receipt thereof by RBS of this required information in writing prior to the execution of this contract and agreement. Buyer must inform RBS in writing of any changes in future alternative fuel costs prior to the effective date of any contemplated change in pricing pursuant hereto. This requirement of written notice shall be effective with respect to either contract option.

6. All gas furnished under this Agreement shall be subject to all applicable terms and conditions of service on file with the TRA. The provisions of this Agreement, all rate schedules and the terms and conditions of service are subject to modification at any time in the manner prescribed by law, and when so modified shall supersede the provisions hereof and of the rate schedules, if any, annexed hereto.

7. This Agreement shall inure to the benefit of and be binding upon the successors or assigns of each of the parties hereto.

10. If subsequent to its execution of this Agreement with RBS, Buyer notifies RBS that it requires an amount of gas which is greater than the quantity called for on any Day of its Monthly Schedule, RBS agrees to schedule such quantity with RBS's Transporter in accordance with their respective tariffs and notify Buyer of the quantity confirmed by RBS's Transporter for the Day or Days covered by such changed requirement.

11. The provisions above notwithstanding, RBS shall not be liable to Buyer for failure to sell and deliver any quantity of Gas requested by Buyer (i) that is different from the quantity for such Day under the applicable Monthly Schedule and for which Buyer's Nomination is made to RBS after the time for Nominations for such Day under the tariff of RBS's Transporter, as applicable, or (ii) exceeds the Mcf, except to the extent agreed to by RBS by Facsimile notice to Buyer.

Section 3.3 Buyer's Obligation to Purchase, Receive and Pay for Gas. Buyer shall be obligated to purchase and receive from RBS and pay for at the Contract Price all Gas Service required for its facility in accordance with this Agreement and in accordance with the following:

1. RBS shall render Buyer monthly billing statements within five (5) business days after the end of each month. The quantity of gas delivered to Buyer hereunder by or for Buyer shall be determined by metering/ measuring/regulator installed as set out hereinabove. Buyer shall make all necessary arrangements to provide or remit payment to RBS on or before the 20th day of the month following the month in which service has been provided.
2. Customer will provide an acceptable letter of credit for one (1) year drawn on a reputable federally insured banking institution licensed and doing business in either the States of Mississippi and/or Tennessee, with automatic renewal provision for the term of this contract and all renewal periods in the amount of \$100,000 to ensure payment for services rendered by RBS pursuant hereto.

Section 3.4 Failure to Deliver Nominated Quantities. If RBS fails to deliver to Buyer its natural gas requirements up to the 25 Mcf/hour agreed to for more than sixty (60) consecutive days due to the failure of a transporter to deliver the gas to RBS then Buyer shall have the right to terminate this Agreement by written notice to RBS.

Section 3.5 Failure to Take Scheduled Quantities of Gas. In the event of Buyer's unexcused failure or refusal to take the full quantity of Gas Scheduled for delivery, Buyer shall pay RBS liquidated damages equal to (i) the product of (a) the difference between the quantity of Gas actually taken by Buyer and the Scheduled quantity and (b) \$.25, plus (ii) all charges by the RBS gas supplier to the RBS City Gate for volumes nominated by Buyer and not taken.

Section 3.6 Exclusive Remedy. The Parties agree that the actual losses incurred by RBS as a result of Buyer's failure to pay for any quantity of gas delivered to Buyer by RBS would be uncertain, and therefore RBS would be entitled to enforce its right to attach Buyer's Letter of Credit or the applicable portion thereof. Contrarily, Parties also agree that actual losses incurred by Buyer as a result of RBS's failure to deliver quantities would be uncertain and impossible to determine with precision, and as a result, the right of Buyer to terminate this Agreement in accordance with Section 3.4 shall be its sole and exclusive remedy for RBS's failure to deliver the quantities set forth according to this Article and shall also be deemed as reasonable compensation for such failure.

ARTICLE IV

TERM

Section 4.1 Term of Agreement. This Agreement shall become effective upon its execution by the parties and shall continue for a period of three (3) years from and after the In-Service Date.

Section 4.2 Right of Renewal. Buyer shall have the Right of Renewal of this Agreement for an additional period of Five (5) years. During any renewal hereof, Buyer shall have the option to purchase gas and deliver it to RBS at its present existing meter/regulator - City Gate, located on the Texas Eastern (Duke Energy) Pipeline. Cost for RBS transport of Buyer's gas would then be defined in a new transportation schedule to determined and agreed by the parties at each such renewal period.

Section 4.3 Sales Term. The Primary Sales Term shall commence on the first day of the Month following the Month in which the In-Service Date occurs and extend for three (3) Contract Years. The Sales Term of this Agreement shall be extendable for additional Contract Years (each a Secondary Term) in accordance with Section 4.2 hereof.

ARTICLE V **CONTRACT PRICE**

Section 5.1 Contract Price. The Contract Price during the Primary Sales Term shall be as described in the attached Schedules "A" and "B". The Contract Price for any Secondary Sales Term shall be determined as follows:

(a) not later than ninety (90) days prior to the expiration of the Primary Sales Term or any Secondary Sales Term, the Buyer shall provide RBS notice by Facsimile of the Mcf/Hour, not to exceed 75 Mcf, that Buyer will require for its facility during the following requested Secondary Sales Term ("Buyer's Mcf Requirement Notice"). If Buyer fails to give a Buyer's Mcf Requirement Notice, the Sales Term of this Agreement shall terminate at the expiration of the Primary Sales Term or the then existing Secondary Sales Term.

(b) not later than sixty (60) days prior to the expiration of the Primary Sales Term or then existing Secondary Sales Term, based on the Mcf Requirement specified in the Buyer's Mcf Requirement Notice, RBS shall respond to Buyer's Mcf Requirement Notice by Facsimile notifying Buyer of the Contract Price that RBS will charge for Gas sold and delivered to Buyer's facility at Red Boiling Springs, Macon County, Tennessee during the following Secondary Term ("RBS's Price Notice").

(c) not later than forty-five (45) days prior to the expiration of the Primary Sales Term or then existing Secondary Sales term, Buyer shall notify RBS by Facsimile of Buyer's acceptance or rejection of the Contract Price specified in RBS's Price Notice.

(d) if Buyer accepts the Contract Price specified in RBS's Price Notice, the Sales Term of this Agreement shall continue for a Secondary Sales Term.

(e) if Buyer rejects the Contract Price specified in RBS's Price Notice, the Sales Term of this Agreement shall terminate at the expiration of the Primary Sales Term or any then existing Secondary Sales Term.

Section 5.2 Risk Assessment. Buyer represents and warrants to RBS that the Contract Price of this Agreement are acceptable to Buyer based upon the obligations undertaken by RBS to provide natural gas sales service and the facility. Buyer acknowledges and agrees that RBS may from time to time make changes to the RBS Tariff in accordance with the laws of the State of Tennessee and the rules and regulations of the TRA, including without limitation their rates applicable to Gas Sales Service under this Agreement, and that any such changes when approved by the TRA shall be applicable to this Agreement to the extent provided for herein. RBS agrees to provide to Buyer any proposed changes to the RBS Tariff. Buyer shall not by virtue of such acknowledgment and agreement be precluded from participating in any regulatory proceeding involving proposed changes to the RBS Tariff, or from protesting such proposed changes that may adversely affect Buyer.

ARTICLE VI

BILLING AND PAYMENT

Section 6.1 RBS Statements. On or before the fifth (5th) business day after the end of each month, RBS shall issue a statement to Buyer showing the amount due for the monthly Gas sold and/or delivered during the prior Month, taxes and other governmental charges applicable to the sale of gas contemplated by this Agreement, including but not limited to any franchise fees or surcharges charged by Macon County, Tennessee. Buyer shall pay RBS the undisputed amount of each such statement on or before the 20th day of the month following the month in which service has been provided. If the actual quantity of Gas sold and/or delivered by RBS in a month is different from the amount used by RBS for billing purposes, RBS shall adjust its billing for such Month, without interest, on its statement for the Month in which such actual quantity information becomes available to RBS.

6.1.a Metering. Meter reading for monthly billing purposes will be taken, so far as practicable, at periodic intervals of approximately thirty (30) days. The meter will be read by a representative of RBS and Buyer's representative may be present. If the metering equipment fails to register, or registers incorrectly, RBS may estimate as accurately as is practicable, the quantity of metered or incorrectly metered gas delivered. In the event telemetering equipment or telephone connections fail, RBS shall be responsible for reading the meter and promptly reporting these readings to Buyer, as directed.

6.1.b. Meter Testing. RBS may periodically inspect, replace, and test the metering device at intervals, from time to time. At the written request of Buyer, RBS shall make additional tests of such meter in the presence of Buyer or Buyer's representative. The cost of such additional tests shall be borne by Buyer if the percent of error is found to be less than two (2%) percent slow or fast.

Section 6.2 Late Payment. If Buyer fails to pay the undisputed amount of any statement issued pursuant to Section 6.1 when due, interest at the Interest Rate shall accrue and be payable on such unpaid amounts from the due date thereof until paid.

Section 6.3 Correction of Errors. In the event either Party determines that there is an error in the amount billed in any statement rendered, the error shall be adjusted within thirty (30) days after the determination that such error has occurred, by statement submitted in the next billing cycle; provided however, that any claim for an error shall be submitted within sixty (60) days after the discovery of such error.

ARTICLE VII **DELIVERY POINT**

Section 7.1 RBS shall deliver all Gas quantities at the metering/regulator/measurement station located at the facility as specified in Section 3.1. Title shall transfer to Buyer at such Delivery Point.

Section 7.2 RBS shall install meter/regulator/measurement equipment at the facility site as set forth in Section 2.4. Buyer shall provide any necessary surface site, easement and rights of ingress and egress that may be required for the installation and operation of such measurement/regulation/measurement station (the facility), as well as any and all necessary electrical power, connections and junction boxes at a mutually agreeable location within such site.

ARTICLE VIII **NOTICES**

Section 8.1 Any notice, request, demand, or statement provided for in this Agreement must be in writing and is deemed given when actually delivered to a party at the address indicated below for such party or, if mailed, it is deemed given three (3) business Days after it is mailed by first class mail, postage pre-paid, to a party at the address indicated below for such party or, if sent by facsimile transmission, when receipt of a legible facsimile is confirmed by such party.

BUYER:

All Notices

Nestle Waters North America Inc.

Highway 52
Red Boiling Spring, TN
ATTN: Plant Mgr

WITH COPY
TO

Nestle Waters North America Inc.

777 W. Putnam Ave
Greenwich CT. 06830
ATTN: Legal Dept

RBS:

RBS Gas Utility, Inc.
105 Somerford Court
Madison, Mississippi 39110

ARTICLE XI
FORCE MAJEURE

Neither party shall be liable for any breach, delay, or nonperformance hereunder, whether material or immaterial, or whether affecting total or partial performance, which directly, or indirectly, results from, or is caused, in whole or in part, by revolutions, or other disorders; declared or undeclared wars; declared or undeclared acts of public enemies; or other restrictions imposed by laws; arrest or restraint of officials; or acts of God; accidents; or by breakdown or injury to storage facilities, pipelines, machinery, or other facilities of either Party used for production, manufacturing, transportation, delivery, receiving, storage, handling, or utilization of the products purchased hereunder, or by fires, storms, explosions, or other casualties; or by strikes, lockouts, stoppage, or restraint of labor, either partial or general, from whatever cause; or if performance hereunder is hindered, delayed, or prevented by, or would violate or controvert any law, rule, order or request of government, Federal, State or Local, or any agency or representative thereof; or which directly or indirectly results from any cause beyond either Party's control, whether such other causes be of the classes herein specifically provided for, or not. Force Majeure shall not relieve Buyer from making payments due for Gas delivered prior to or during the Force Majeure event in accordance with this Agreement.

ARTICLE XII
GENERAL TERMS AND CONDITIONS

Section 12.1 Any and all attachments hereto are a part of the General Terms and Conditions herein and are incorporated by this reference and made a part of this Agreement.

IN WITNESS WHEREOF, this Agreement is executed, effective upon the date first above written.

RBS GAS UTILITY, INC.

By: _____

Edward R. Ayers, President

NESTLE WATERS NORTH AMERICA

By: _____

Name: J. MARK EVANS

Title: Vice Pres.

ATTEST:

Michelle Ayers

Michelle Ayers, Secretary

ATTEST: _____

Name: _____

Title: _____

DAVID G. HASSI
ASST. Secy.

(601) 856-3060 FAX
Attention: Edward R. Ayers

ARTICLE IX
CONDITIONS PRECEDENT

Section 9.1 Buyer shall assume responsibility for the cost and installation of all additional facilities not described heretofore, required to serve Buyer, as determined by Buyer, including but not limited to any gas mains, service lines, road bores, creek/stream crossing bores, valves and other devices and equipment required or necessary to deliver gas from the facility site to location required for use by Buyer..

Section 9.2 Buyer shall maintain at its own liability and expense such additional mains or pipes as may be required to convey the Gas furnished from the Point of Delivery to points of use, except that no such mains or pipes shall be constructed, rented, leased, maintained, or used directly or indirectly by the Buyer in, over, under, or along public ways and shall conform with applicable Federal, State and Local regulations and codes.

ARTICLE X
MISCELLANEOUS

Section 10.1 This Agreement, together with Exhibits attached, represents the entire Agreement between the Parties. All amendments to this Agreement will be by mutual agreement and evidenced by a written amendment signed by the Parties.

Section 10.2 This Agreement shall bind and inure to the benefit of the Parties hereto and their respective successors and assigns.

Section 10.3 This Agreement shall be construed in accordance with and controlled by the laws of Hinds County, State of Mississippi.

Section 10.4 This Agreement shall be subject to the Rules and Regulations of RBS's Tariffs for Gas Services and to the regulatory jurisdiction of the Tennessee Regulatory Authority ("TRA").

Section 10.5 Buyer agrees and does by execution hereof grant unto RBS a perpetual easement and right of way over and across its lands and property for the purpose of installing the natural gas metering/regulating/measurement and other equipment required for the delivery of gas services contemplated herein at the facility site as determined by Buyer. RBS agrees to install its meter/regulator/measurement equipment in accord with governmental regulations, including those related to the environment, after proper permitting thereof.

STATE OF MISSISSIPPI
COUNTY OF Madison

PERSONALLY APPEARED BEFORE ME, the undersigned authority in and for the said county and state, on this 23rd day of June, 2003, within my jurisdiction, the within named Edward R. Ayers, who acknowledged that he is President of RBS Gas Utility, Inc., a Mississippi corporation, and that for an on behalf of the said corporation, and as its act and deed, he executed the above and foregoing instrument, after first having been duly authorized by said corporation so to do.

Notary Public Michael W. Wadley

My Commission Expires:
MISSISSIPPI STATEWIDE NOTARY PUBLIC
MY COMMISSION EXPIRES SEPT. 5, 2003
BONDED THRU STEGALL NOTARY SERVICE

STATE OF CONN
COUNTY OF FAIRFIELD

PERSONALLY APPEARED BEFORE ME, the undersigned authority in and for the said county and state, on this ___ day of JUNE, 2003, within my jurisdiction, the within named J. MARK EVANS who acknowledged that he/she is V. P. of Nestle Waters North America, a DEL corporation, and that for an on behalf of the said corporation, and as its act and deed, he/she executed the above and foregoing instrument, after first having been duly authorized by said corporation so to do.

Notary Public Joy M. Hammond

My Commission Expires:

JOY M. HAMMOND
NOTARY PUBLIC
MY COMMISSION EXPIRES 8/31/2005

SCHEDULE "A"

To that certain Gas Sales and Transport Agreement dated 23rd day of June, 2003, by and between RBS Gas Utility, Inc. and Nestle Water, USA:

TARIFF SCHEDULE: This schedule contemplates and covers gas purchased by Customer and delivered to the RBS city gate for transport, delivery and measurement at Customer's facility in Macon County, Tennessee. This schedule is authorized by RBS Tariff Schedule 5 allowing RBS to compete with alternative fuels and/or alternative providers available to its customers.

Cost for transport and measurement per MMBTU = \$.50

NOTE: RBS shall be entitled to bill Customer for gas due to shrinkage not to exceed seven (7%) per cent of the total volume delivered per month. These additional gas volumes attributable to shrinkage shall be billed to Customer at RBS's actual contract cost delivered to its city gate.

SCHEDULE "B"

To that certain Gas Sale and Transport Agreement dated 23rd day of June, 2003, by and between RBS Gas Utility, Inc. and Nestle Water, USA:

TARIFF SCHEDULE: This schedule contemplates and covers gas purchased by RBS and delivered to Customer's facility in Macon County, Tennessee. This schedule is authorized by RBS Tariff Schedule 5 allowing RBS to compete with alternative fuels and/or alternative providers available to its customers.

The Contract Price during the term of this Agreement shall be determined monthly by the aggregate of (i) a Commodity Price component equal to the per MMBTU Price for NYMEX natural gas futures contract month's close as published in the Wall Street Journal, (ii) the aggregate of all gas supplier fees, including Firm and Reserved pipeline transportation fees to the RBS City Gate, retainages and surcharges, (iii) \$.85 per MMBTU for all gas volumes delivered at buyer's delivery meter, (iv) applicable taxes and other governmental charges, and (v) for all gas volumes delivered each month in excess of the volumes nominated by Buyer the TETCO Cashout Price shall be substituted for the "Commodity Price Component" described in (i) herein.